GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:4001
ANSWERED ON:14.12.2000
COMPETITION IN OPEN MARKET
JAYABEN B. THAKKAR

Will the Minister of TEXTILES be pleased to state:

(a) Whether the Government are aware of the fact that survey after survey has shown that in open market Indian products other than some cotton products and hosiery, cannot compete against other exporting nations, due to small scale reservation; and

(b) if so, the steps are being proposed to overcome the said situation ?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) A few studies like the KSA Technopak study commissioned by Federation of Indian Chambers of Commerce & Industry (FICCI) and Roland Burger study commissioned by Confederation of Indian Industry (CII) have emphasised the need for garment led growth and, in this context, recommended de-reservation of garment industry from the Small Scale Sector (SSI).The Government has recently decided to de-reserve the woven readymade garment industry from the SSI.

(b) The Government have been taking several steps from time to time to make the Textile Industry competitive. Some of the important initiatives are as under:-

1) The Technology Upgradation Fund Scheme (TUF) has been made operational from1-4-1999 to facilitate the modernisation and Upgradation of this sector so that it can become more competitive in international trade.

2) The exporters have been provided facility to import capital goods under Export Promotion Capital Goods (EPCG) Scheme at 5% concessional rate of duty.

3) Garment exporters have been allowed zero duty import of certain categories of trimmings & embellishments.

4) Government has recently launched Technology Mission for Cotton. One of the important ingredients of the Mission is to improve cotton processing facilities by upgrading/modernising the existing ginning and pressing factories.

5) Allowing foreign equity participation upto 100%, through automatic route, in the textile sector with certain exceptions.

6) National Institute for Fashion Technology (NIFT), its six branches and Apparel Training & Design Centres (ATDCs) are running various courses/programmes to meet skilled manpower requirements of textile industry in the field of design, merchandising and marketing.

7) The New Textile Policy has recently been announced to provide the policy direction for orderly and sustained development and growth of the textile industry in a harmonious way and to give a thrust to textile exports.